



W. Michael Strickland, CPA

732 Washington Street  
Gainesville GA 30501  
770-534-7118  
770-534-5801 (fax)

Send To:	From:
Herrington Seating	Mike
Attention: Scott Appleby	Date: 9-30-03
Office Location:	Office Location:
Fax Number: 1-706-246-0001	Phone Number:

- ☐ Urgent
- ☐ Reply ASAP
- ☐ Please comment
- ☐ Please review
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<p>Comments:</p> <p>13 pages w/ cover</p> <p>Scott, Call us after you look over this - Then we will fax to David Davenport 404-577-7490</p>
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HARTWELL ENTERPRISES INC  
Balance Sheet  
June 30, 2004

Assets

Current Assets

Cash in Bank	\$	73,038.10	
Accts Receivable - Herr		102,710.24	
Accts Receivable - Prior	(	964.07)	
Accounts Receivable Pied		24,059.58	
Inventory		65,705.00	
Total Current Assets			\$ 264,548.85

Fixed Assets

Building	\$	479,000.00	
Accum Depre - Building	(	1,023.50)	
		477,976.50	
Furniture & Fixtures		65,380.00	
Accum Depre-Mach & Equip	(	778.33)	
		778.33)	
Total Fixed Assets			542,578.17

Other Assets

Goodwill		1,381,516.25	
Accumulated Amort - Good	(	7,675.09)	
Total Other Assets			1,373,841.16
Total Assets			\$ 2,180,968.18

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Balance Sheet  
June 30, 2004

Liabilities & Equity

Liabilities

Current Liabilities

Accounts Payable - Trade	\$ 29,325.30	
Notes Pay-Herrington Sea	74,594.75	
Notes Payable - SBA	19,459.68	
Notes Pay - Herrington	109,000.00	
Notes Payable - Norga	100,000.00	
Withholding - FICA	263.21	
Withholding - FIT	1,869.56	
Withholding - SIT	817.54	
Other Payroll Ded - 1	194.35	
Total Current Liab.		\$ 335,524.39

Long Term Liabilities

N/P Herrington Seat Inc	916,405.25	
N/P SBA Note	730,540.32	
Shareholder Loan Appling	204,336.60	
Total Long Term Liab.		1,851,282.17
Total Liabilities		2,186,806.56

Equity

Current Earnings	( 5,838.38)	
Total Equity		( 5,838.38)
Total Liabilities & Equity		\$ 2,180,968.18

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Income Statement  
Six Months Ended June 30, 2004

	1 Month	%	Year To Date	%
Income				
Sales	\$ 102,455.68	100.0	\$ 102,455.68	100.0
Total Income	102,455.68	100.0	102,455.68	100.0
Cost of Sales				
Purchases - Materials	72,620.30	70.9	72,620.30	70.9
Direct Labor	16,995.40	16.6	16,995.40	16.6
Total Goods Available	89,615.70	87.5	89,615.70	87.5
Total Cost of Sales	89,615.70	87.5	89,615.70	87.5
Gross Profit	12,839.98	12.5	12,839.98	12.5
Selling Expenses				
Total Selling Expenses	0.00	0.0	0.00	0.0
General & Administrative Exp. ( See Schedule A )	17,661.76	17.2	17,661.76	17.2
Other Income				
Total Other Income	0.00	0.0	0.00	0.0
Other Expenses				
Interest Expense	1,016.60	1.0	1,016.60	1.0
Total Other Expenses	1,016.60	1.0	1,016.60	1.0
Net Income ( Loss )	(\$ 5,838.38)	-5.7	(\$ 5,838.38)	-5.7

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Income Statement  
Six Months Ended June 30, 2004

	1 Month	%	Year To Date	%
General & Administrative Exp. ( Schedule A )				
Salaries - Officers	\$ 3,000.00	2.9	\$ 3,000.00	2.9
Amortization	7,675.09	7.5	7,675.09	7.5
Automobile Expense	1,050.93	1.0	1,050.93	1.0
Depreciation	1,801.83	1.8	1,801.83	1.8
Employee Meals	31.23	0.0	31.23	0.0
Employee Benefits	35.00	0.0	35.00	0.0
Insurance	2,314.08	2.3	2,314.08	2.3
Maintenance	50.00	0.0	50.00	0.0
Taxes Payroll	1,514.78	1.5	1,514.78	1.5
Taxes Others	60.00	0.1	60.00	0.1
Travel	128.82	0.1	128.82	0.1
Total G & A Expense	<u>\$ 17,661.76</u>	<u>17.2</u>	<u>\$ 17,661.76</u>	<u>17.2</u>

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Balance Sheet  
July 31, 2004

Assets

Current Assets

Cash in Bank	\$	77,561.91	
Accts Receivable - Herr		85,638.26	
Accts Receivable - Prior		9,689.39	
Accounts Receivable Pied		16,343.35	
Inventory		65,705.00	
Total Current Assets	\$		254,937.91

Fixed Assets

Building	\$	479,000.00	
Accum Depre - Building	(	2,047.00)	
			476,953.00
Furniture & Fixtures			65,380.00
Accum Depre-Mach & Equip	(	1,556.66)	
			1,556.66)
Organization Expense		10,036.93	
Accum Amort - Orgn Exp	(	167.28)	
			9,869.65
Total Fixed Assets			550,645.99

Other Assets

Goodwill		1,381,516.25	
Accumulated Amort - Good	(	15,350.18)	
Total Other Assets			1,366,166.07
Total Assets			\$ 2,171,749.97

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Balance Sheet  
July 31, 2004

Liabilities & Equity

Liabilities

Current Liabilities

Accounts Payable - Trade	\$ 29,325.30	
Notes Pay-Herrington Sea	74,594.75	
Notes Payable - SBA	17,883.97	
Notes Pay - Herrington	109,000.00	
Notes Payable - Norga	100,541.67	
Withholding - FICA	103.54	
Withholding - FIT	3,942.79	
Withholding - SIT	1,699.17	
Other Payroll Ded - 1	387.43	
Total Current Liab.		\$ 337,478.62

Long Term Liabilities

N/P Herrington Seat Inc	916,405.25	
N/P SBA Note	730,540.32	
Shareholder Loan Appling	205,358.29	
Total Long Term Liab.		1,852,303.86
Total Liabilities		2,189,782.48

Equity

Current Earnings	( 18,032.51)	
Total Equity		( 18,032.51)
Total Liabilities & Equity		\$ 2,171,749.97

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Income Statement  
Seven Months Ended July 31, 2004

	1 Month	%	Year To Date	%
Income				
Sales	\$ 93,536.02	100.0	\$ 195,991.70	100.0
Total Income	93,536.02	100.0	195,991.70	100.0
Cost of Sales				
Purchases - Materials	33,652.78	36.0	106,273.08	54.2
Purchases - Freight	867.49	0.9	867.49	0.4
Purchases - Supplies	19.20	0.0	19.20	0.0
Direct Labor	17,052.14	18.2	34,047.54	17.4
Total Goods Available	51,591.61	55.2	141,207.31	72.0
Total Cost of Sales	51,591.61	55.2	141,207.31	72.0
Gross Profit	41,944.41	44.8	54,784.39	28.0
Selling Expenses				
Total Selling Expenses	0.00	0.0	0.00	0.0
General & Administrative Exp. ( See Schedule A )	25,733.74	27.5	43,395.50	22.1
Other Income				
Total Other Income	0.00	0.0	0.00	0.0
Other Expenses				
Interest Expense	8,404.80	9.0	9,421.40	4.8
Extraordinary Legal Exp	20,000.00	21.4	20,000.00	10.2
Total Other Expenses	28,404.80	30.4	29,421.40	15.0
Net Income ( Loss )	(\$ 12,194.13)	-13.0	(\$ 18,032.51)	-9.2

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC



HARTWELL ENTERPRISES INC  
Income Statement  
Seven Months Ended July 31, 2004

	1 Month	%	Year To Date	%
General & Administrative Exp. ( Schedule A )				
Salaries - Officers	\$ 3,000.00	3.2	\$ 6,000.00	3.1
Amortization	7,842.37	8.4	15,517.46	7.9
Automobile Expense	1,616.15	1.7	2,667.08	1.4
Depreciation	1,801.83	1.9	3,603.66	1.8
Employee Meals			31.23	0.0
Employee Benefits			35.00	0.0
Insurance	1,415.91	1.5	3,729.99	1.9
Life Insurance - Officer	4,039.02	4.3	4,039.02	2.1
Maintenance	1,768.14	1.9	1,818.14	0.9
Office Supplies	34.78	0.0	34.78	0.0
Printing	53.50	0.1	53.50	0.0
Taxes Payroll	1,656.83	1.8	3,171.61	1.6
Taxes Others	637.32	0.7	697.32	0.4
Telephone	195.37	0.2	195.37	0.1
Travel	90.00	0.1	218.82	0.1
Utilities	1,582.52	1.7	1,582.52	0.8
<b>Total G &amp; A Expense</b>	<b>\$ 25,733.74</b>	<b>27.5</b>	<b>\$ 43,395.50</b>	<b>22.1</b>

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Balance Sheet  
August 31, 2004

Assets

Current Assets

Cash in Bank	\$	59,366.20	
Accts Receivable - Herr		141,374.18	
Accts Receivable - Prior		8,816.11	
Accounts Receivable Pied		25,236.34	
Inventory		65,705.00	
Total Current Assets	\$		300,497.83

Fixed Assets

Building	\$	479,000.00	
Accum Depre - Building	(	3,070.50)	
		475,929.50	
Furniture & Fixtures		65,380.00	
Accum Depre-Mach & Equip	(	2,334.99)	
		2,334.99)	
Organization Expense		10,036.93	
Accum Amort - Orgn Exp	(	334.56)	
		9,702.37	
Total Fixed Assets			548,676.88

Other Assets

Goodwill		1,381,516.25	
Accumulated Amort - Good	(	23,025.27)	
Total Other Assets			1,358,490.98
Total Assets	\$		2,207,665.69

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Balance Sheet  
August 31, 2004

Liabilities & Equity

Liabilities

Current Liabilities

Accounts Payable - Trade	\$ 75,722.93	
Notes Pay-Herrington Sea	79,549.75	
Notes Payable - SBA	16,300.05	
Notes Pay - Herrington	109,000.00	
Notes Payable - Norga	100,976.17	
Withholding - FICA	4,003.92	
Withholding - FIT	6,452.74	
Withholding - SIT	2,793.96	
Other Payroll Ded - 1	644.87	
Total Current Liab.		\$ 395,444.39

Long Term Liabilities

N/P Herrington Seat Inc	916,405.25	
N/P SBA Note	730,540.32	
Shareholder Loan Appling	258,712.08	
Total Long Term Liab.		1,905,657.65
Total Liabilities		2,301,102.04

Equity

Current Earnings	( 93,436.35)	
Total Equity		( 93,436.35)
Total Liabilities & Equity		\$ 2,207,665.69

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Income Statement  
Eight Months Ended August 31, 2004

	1 Month	%	Year To Date	%
Income				
Sales	\$ 95,170.06	100.0	\$ 291,161.76	100.0
Total Income	95,170.06	100.0	291,161.76	100.0
Cost of Sales				
Purchases - Materials	56,313.45	59.2	162,586.53	55.8
Purchases - Freight	500.36	0.5	1,367.85	0.5
Purchases - Supplies	2,492.04	2.6	2,511.24	0.9
Direct Labor	21,750.52	22.9	55,798.06	19.2
Total Goods Available	81,056.37	85.2	222,263.68	76.3
Total Cost of Sales	81,056.37	85.2	222,263.68	76.3
Gross Profit	14,113.69	14.8	68,898.08	23.7
Selling Expenses				
Total Selling Expenses	0.00	0.0	0.00	0.0
General & Administrative Exp. ( See Schedule A )	26,766.36	28.1	70,161.86	24.1
Other Income				
Total Other Income	0.00	0.0	0.00	0.0
Other Expenses				
Interest Expense	10,424.17	11.0	19,845.57	6.8
Extraordinary Legal Exp	52,327.00	55.0	72,327.00	24.8
Total Other Expenses	62,751.17	65.9	92,172.57	31.7
Net Income ( Loss )	(\$ 75,403.84)	-79.2	(\$ 93,436.35)	-32.1

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Income Statement  
Eight Months Ended August 31, 2004

	1 Month	%	Year To Date	%
General & Administrative Exp. ( Schedule A )				
Salaries - Officers	\$ 4,000.00	4.2	\$ 10,000.00	3.4
Accounting	3,880.00	4.1	3,880.00	1.3
Amortization	7,842.37	8.2	23,359.83	8.0
Automobile Expense	1,667.32	1.8	4,334.40	1.5
Depreciation	1,801.83	1.9	5,405.49	1.9
Employee Meals			31.23	0.0
Employee Benefits			35.00	0.0
Insurance	2,560.80	2.7	6,290.79	2.2
Life Insurance - Officer			4,039.02	1.4
Maintenance	549.63	0.6	2,367.77	0.8
Office Supplies	138.46	0.1	173.24	0.1
Printing			53.50	0.0
Taxes Payroll	1,950.19	2.0	5,121.80	1.8
Taxes Others	119.93	0.1	817.25	0.3
Telephone	481.02	0.5	676.39	0.2
Travel	637.61	0.7	856.43	0.3
Utilities	1,137.20	1.2	2,719.72	0.9
<b>Total G &amp; A Expense</b>	<b>\$ 26,766.36</b>	<b>28.1</b>	<b>\$ 70,161.86</b>	<b>24.1</b>

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

**Exhibit 326****W. Michael Strickland, CPA**

732 Washington Street

Gainesville GA 30501

770-534-7118

770-534-5801 (fax)

Send To: <i>Scott Appleby</i> <i>David Davenport</i>	From:
Attention:	Date: <i>10-15-04</i>
Office Location:	Office Location:
Fax Number: <i>1-706-246-0001</i>	Phone Number:

- ☐ Urgent *404-577-9490*
- ☐ Reply ASAP
- ☐ Please comment
- ☐ Please review
- ☐ For your information

Comments:

*6 pgs w/ cover**Sept 04 Income - Belloc Sheets*

October 13, 2004

HARTWELL ENTERPRISES INC  
784 LIGHTWOOD LANE  
HARTWELL, GA 30643

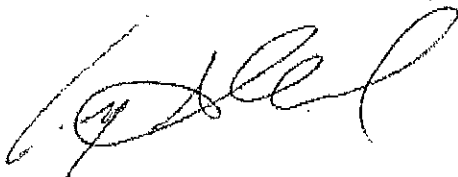
Gentlemen:

I have compiled the accompanying statement of assets, liabilities, and equity - income tax basis, of HARTWELL ENTERPRISES INC as of September 30, 2004 and the related statement of revenue and expenses and cash flows for the period then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The statements have been prepared on the accounting basis used by the company for income tax puposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be a stylized 'J' followed by several loops and a long horizontal stroke.

HARTWELL ENTERPRISES INC  
Balance Sheet  
September 30, 2004

Assets

Current Assets

Cash in Bank	\$	13,181.90	
Accts Receivable - Herr		189,703.87	
Accts Receivable - Prior		8,816.11	
Accounts Receivable Pied		13,043.05	
Inventory		65,705.00	
Total Current Assets			\$ 290,449.93

Fixed Assets

Building	\$	479,000.00	
Accum Depre - Building	(	4,094.00)	
			474,906.00
Furniture & Fixtures			65,380.00
Accum Depre-Mach & Equip	(	3,113.32)	
			3,113.32)
Organization Expense		10,036.93	
Accum Amort - Orgn Exp	(	501.84)	
			9,535.09
Total Fixed Assets			546,707.77

Other Assets

Goodwill		1,381,516.25	
Accumulated Amort - Good	(	30,700.36)	
Total Other Assets			1,350,815.89
Total Assets			\$ 2,187,973.59

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC



HARTWELL ENTERPRISES INC  
Balance Sheet  
September 30, 2004

Liabilities & Equity

Liabilities

Current Liabilities

Accounts Payable - Trade	\$ 87,265.80
Notes Pay-Herrington Sea	84,474.51
Notes Payable - SBA	14,716.13
Notes Pay - Herrington	109,000.00
Notes Payable - Norga	101,302.92
Withholding - FICA	8,396.26
Withholding - FIT	9,838.80
Withholding - SIT	4,239.51
Other Payroll Ded - 1	916.35

Total Current Liab. \$ 420,150.28

Long Term Liabilities

N/P Herrington Seat Inc	916,405.25
N/P SBA Note	730,540.32
Shareholder Loan Appling	258,712.08

Total Long Term Liab. 1,905,657.65

Total Liabilities 2,325,807.93

Equity

Current Earnings ( 137,834.34)

Total Equity ( 137,834.34)

Total Liabilities & Equity \$ 2,187,973.59

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Income Statement  
Four Months Ended September 30, 2004

	1 Month	%	Year To Date	%
Income				
Sales	\$ 145,528.52	100.0	\$ 436,690.28	100.0
Return Sales	( 60.00)	0.0	( 60.00)	0.0
Total Income	145,468.52	100.0	436,630.28	100.0
Cost of Sales				
Purchases - Materials	122,050.75	83.9	284,637.28	65.2
Purchases - Freight	684.49	0.5	2,052.34	0.5
Purchases - Supplies	1,955.58	1.3	4,466.82	1.0
Direct Labor	29,805.54	20.5	85,603.60	19.6
Total Goods Available	154,496.36	106.2	376,760.04	86.3
Total Cost of Sales	154,496.36	106.2	376,760.04	86.3
Gross Profit	( 9,027.84)	-6.2	59,870.24	13.7
Selling Expenses				
Total Selling Expenses	0.00	0.0	0.00	0.0
General & Administrative Exp. ( See Schedule A )	24,991.25	17.2	95,153.11	21.8
Other Income				
Total Other Income	0.00	0.0	0.00	0.0
Other Expenses				
Interest Expense	10,378.90	7.1	30,224.47	6.9
Extraordinary Legal Exp			72,327.00	16.6
Total Other Expenses	10,378.90	7.1	102,551.47	23.5
Net Income ( Loss )	(\$ 44,397.99)	-30.5	(\$ 137,834.34)	-31.6

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC

HARTWELL ENTERPRISES INC  
Income Statement  
Four Months Ended September 30, 2004

	1 Month	%	Year To Date	%
General & Administrative Exp. ( Schedule A )				
Salaries - Officers	\$ 5,000.00	3.4	\$ 15,000.00	3.4
Accounting	4,111.75	2.8	7,991.75	1.8
Amortization	7,842.37	5.4	31,202.20	7.1
Automobile Expense			4,334.40	1.0
Bank Charges	5.50	0.0	5.50	0.0
Depreciation	1,801.83	1.2	7,207.32	1.7
Employee Meals			31.23	0.0
Employee Benefits			35.00	0.0
Insurance	2,021.42	1.4	8,312.21	1.9
Life Insurance - Officer			4,039.02	0.9
Maintenance	( 51.52)	0.0	2,316.25	0.5
Office Supplies	339.73	0.2	512.97	0.1
Postage	92.26	0.1	92.26	0.0
Printing			53.50	0.0
Taxes Payroll	2,641.84	1.8	7,763.64	1.8
Taxes Others	( 92.84)	-0.1	724.41	0.2
Telephone	234.51	0.2	910.90	0.2
Travel	55.00	0.0	911.43	0.2
Utilities	989.40	0.7	3,709.12	0.8
<b>Total G &amp; A Expense</b>	<b>\$ 24,991.25</b>	<b>17.2</b>	<b>\$ 95,153.11</b>	<b>21.8</b>

See accountants' compilation letter attached.  
W. Michael Strickland, CPA, PC